



CITY OF TUCSON TAX RETURN INSTRUCTIONS

Enclosed, you will find your new privilege tax return for the City of Tucson. As you may notice, it is similar to the return that you file for the Arizona Department of Revenue. In an effort to ease the task for taxpayers who report to the non-program cities, tax returns, patterned after the State of Arizona's return, have been developed by all the cities which collect their own tax. Your sales are to be reported on the new return.

If you have any questions, please call 791-4566

STEP BY STEP INSTRUCTIONS

The following instructions correspond to the numbered columns and lines of the return front and back.

Retain for
Your Records

INSTRUCTIONS FOR FRONT OF RETURN

- **Gross Income (Column 1):** Enter the gross income, including tax collected, for each of your business activities. If you report on the cash basis, enter the total amount received, including draws for construction contracting, in the reporting period. If you report on the accrual basis, enter the total amount per customer invoices, including progressive billings for construction contracting, in the reporting period. **If you have no income to report, enter a zero for gross income for each activity number.**

If you file quarterly, combine the gross income for the three months and enter the sum for each business activity. If you file annually, combine the gross income for the 12 months and enter the sum for each business activity. **Do not list the income for each month separately.**

- **Deductions (Column 2):** The numbers for this column will come from the bottom row of Schedule A-Total Deductions- on the back of the return for each applicable business activity. **Deductions in Column 2 that are not itemized on the back of the return will be disallowed.** Go to the next page for instructions on filling out the back of the return.
- **Net Taxable (Column 3):** Subtract total deductions in Column 2 from gross income in Column 1 and enter the amount in Column 3.
- **Tax Rate (Column 4):** The tax rate for each business activity is preprinted. Convert the tax rate to a decimal when computing the tax amount, for example, 2% becomes .02.
- **Tax Amount (Column 5):** Multiply the net taxable amount in Column 3 by the tax rate in Column 4 for each business activity.
- **Subtotal (Line 4):** Add Lines 1 through 3 in Column 5 and enter the result on Line 4, Column 5. If you have more than one business activity, then go to Schedule B on Page 2. If you only have 1 activity, continue on to Line 5.
- **Enter Excess City Tax Collected (Line 5):** If more tax was collected than is due, enter the city portion of the excess tax collected, on this line.
- **Subtotal (Line 6):** Add Lines 4 and 5, Column 5, and enter the result on Line 6, Column 5.
- **Penalty and Interest (Line 7):** If the return is filed after the last business day of the month, a 10% late payment penalty and late filing penalty of 5% per month or any portion of a month are assessed for late or unpaid taxes. The maximum total of these penalties is 25% of the tax due. Interest of 1% per month accrues on the tax due. Daily interest accrues for fractions of the month. Leave this line blank if you want the City of Tucson to compute the penalty and interest. They will send you a Delinquent Statement.
- **Subtotal (Line 8):** Add Lines 6 and 7, in Column 5, and enter the result on Line 8, Column 5.
- **Enter Credit Balance to be Applied (Line 9):** If you received a notice of credit balance from City of Tucson, enter the amount on Line 9, Column 5. Do not exceed the total tax due.
- **Enter Net Amount Due (Line 10):** Subtract the amount on Line 9, Column 5, from amount on Line 8, Column 5, and enter the net amount due on Line 10, Column 5.
- **Enter Total Amount Paid (Line 11):** Enter the total amount being paid on Line 11, Column 5. This is the amount of your check.

**CITY OF TUCSON
TAX RETURN INSTRUCTIONS
INSTRUCTIONS FOR BACK OF RETURN**

SCHEDULE A - DETAILS OF DEDUCTIONS

- **Columns 1, 2 and 3:**

The three columns on the back of the return, Scheduled A, correspond to the three lines on the front of the return for the business activity. Select the deductions that you will be taking for each activity and fill in the amounts for each deduction. If a deduction, which you are allowed to claim, is not listed, enter the name of the deduction on one of the blank lines and provide an explanation.

- **Total Deductions:** Add the deduction amounts in each column and enter the sum at the bottom of the Schedule in the row marked "Total Deductions" for each column. Transfer the total of each column to the corresponding line for each activity in Column 2 on the front of the return.

SCHEDULE B - ADJUSTMENTS TO TAX DUE AMOUNT FOR MULTIPLE ACTIVITIES ONLY

If you have more than one business activity, then you must fill out Schedule B.

- **Total Due**

For the first activity, enter the tax amount from Page 1, column 5, Line 1 into Line 1, Column 1 on Schedule B.

Enter any Excess City Tax on Line 2, column 1.

Enter any penalty with interest being paid on Line 3, Column 1.

Enter any credit being applied to taxes due on Line 4, Column 1.

Take the amount on Line 1, Column 1, and add it to any amount on Line 2, Column 1, then add any amount on Line 3, Column 1, subtract any amount on Line 4, Column 1.

The amount that results from these computations is the total due. Write this amount on Line 5, Column 1.

Repeat this process for each of your business activities. Then add together the amounts in Columns 1, 2 and 3 for each line and enter the total amount in Column 4.

Copy the totals in Column 4 into the appropriate box on Page 1, Column 5.

For example, take the total on Schedule B, Column 4, Line 2 (Excess City Tax Paid) and write it on Page 1, Line 5, Column 5.

Take the total on Schedule B, Column 4, Line 3 (Penalty with interest) and write it on Page 1, Line 7, Column 5.

Take the total on Schedule B, Column 4, Line 4 (credit balance) and write it on Page 1, Line 9, Column 5.

CHECK YOUR RETURN

- * Itemized deductions equal the total deductions recorded?
- * Taxable income equals gross income less total deductions?
- * Tax due is equal to the amount obtained by applying the preprinted tax rate to the taxable income amount?
- * Total tax due is the tax due plus any excess tax collected.
- * Have you signed your return and provided a telephone number?

PAYMENT INSTRUCTIONS

Make your check payable to: **City of Tucson.** (Write your license number on the front of check.)

Mail your tax return and check
in the return envelope to:

**Collections
P.O. Box 27320
Tucson, AZ 85726**

Or pay in person at:

**Tucson City Hall
255 W. Alameda, 1st floor
Collections Section
Tucson, Arizona 85701**